

Message Text

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ORIGIN SS-10

INFO OCT-01 AF-02 ARA-02 EA-02 NEA-02 ISO-00 /019 R

DRAFTED BY: S/S-O: JSEGARS

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FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI IMMEDIATE

USINT ALGIERS IMMEDIATE

AMEMBASSY MANAMA IMMEDIATE

AMEMBASSY JAKARTA IMMEDIATE

AMEMBASSY TEHRAN IMMEDIATE

USINT BAGHDAD IMMEDIATE

AMEMBASSY KUWAIT IMMEDIATE

AMEMBASSY TRIPOLI IMMEDIATE

AMEMBASSY LAGOS IMMEDIATE

AMEMBASSY JIDDA IMMEDIATE

AMEMBASSY CARACAS IMMEDIATE

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KUWAIT ALSO PASS DOHA IMMEDIATE FOR ACTION

FOLLOWING REPEAT QUITO 4008 ACTION SECSTATE INFO BRUSSELS

LONDON PARIS 15 JUN 74

QTE

UNCLAS QUITO 4008

DEPT PASS TO ALL OPEC CAPITALS

BRUSSELS FOR ENDERS

E.O. 11652: N/A

TAGS: ENRG, OPEC

SUBJ: OPEC INAUGURAL SESSION

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1. SUMMARY: OPENING SESSION JUNE 15 INCLUDED REMARKS BY JAMSHID

AMOUZEGAR, ECUADOREAN PRESIDENT RODRIGUEZ, MINISTER NATURAL RESOURCES JARRIN, AND QUITO MAYOR SIXTO DURAN. PREDOMINANT RHETORIC PLAYED UP OPEC'S SUCCESSFUL ASSERTION OF SOVEREIGNTY OVER NATURAL RESOURCES AS A FUNDAMENTAL TRANSFORMATION OF AN UNJUST ECONOMIC RELATIONSHIP BETWEEN DEVELOPING AND DEVELOPED COUNTRIES. SPEAKERS STRESSED IMPORTANCE OF CURRENT MEETING. JARRIN WAS UNANIMOUSLY ELECTED CONFERENCE PRESIDENT. REMAINING SESSIONS (JUNE 15-17) WILL BE CLOSED. END SUMMARY.

2. OUTGOING CONFERENCE PRESIDENT JAMSHID AMOUZEGAR MADE CONCISE STATEMENT OF HIS POSITION WITH THE FOLLOWING POINTS:

A) CONFERENCE IS A CRUCIAL TEST OF OPEC SOLIDARITY IN DEFENSE OF FAIR PLAY; B) HIS HOPE IS FOR A POSITIVE CONSUMER-PRODUCER DIALOGUE IN PLACE OF CONFRONTATION; C) NONETHELESS THE OLD ORDER WAS UNEQUAL IN ITS DISTRIBUTION OF WEALTH; AND D) DEVELOPING COUNTRIES CANNOT NOW BE BYSTANDERS TO THE EFFECTS UPON THEM OF INFLATION IN DCs.

3. IN PRINCIPAL ADDRESS OF SESSION, PRESIDENT RODRIGUEZ PRAISED THE PURPOSES AND ACCOMPLISHMENTS OF OPEC AND PREDICTED FAR-REACHING CONSEQUENCES IN ALTERING THE WORLD'S "FALSE POLITICAL-ECONOMIC EQUILIBRIUM" BETWEEN GREAT POWERS AND RAW MATERIAL PRODUCERS. HE PORTRAYED THE 13 OPEC COUNTRIES AS THE VANGUARD OF A NEW ECONOMIC ORDER IN INTERNATIONAL RELATIONS AND HE MADE TOKEN REFERENCE TO A NEW DIRECTION OPEC MEMBERS WOULD TAKE IN AIDING OTHER LDCs.

4. MOST OF SPEECH WAS DEVOTED TO RECAPITULATION OF OPEC'S ORIGINS, SETTING AND ANTECEDENTS. RODRIGUEZ TRACED THE INCREASING IMPORTANCE OF ENERGY TO THE GREAT POWERS AFTER WORLD WAR II UNTIL CONTROL OF ENERGY SOURCES BECAME PRINCIPAL PREOCCUPATION FOR THEM AND THEIR COMPANIES WHOSE BROAD POWERS BECAME ENSHRINED IN LAW. AS HISTORICAL EXAMPLES OF DEFENSE BY THE WEAK OF THEIR SOVEREIGNTY OVER RESOURCES, HE CITED MEXICO'S 1938 NATIONALIZATION OF PETROLEUM; MOHAMED MOSSADEGH'S 1951 "SACRIFICE...MAKING IRAN FOR US A SYMBOL OF A BRAVE AND IRREDUCIBLE NATIONALISM"; AND THE PERU-CHILE-ECUADOR 1952 PROCLAMATION OF SOVEREIGNTY AND JURISDICTION OVER 200 MILES OF THE ADJACENT SEA. HE PRAISED VENEZUELA AND SAUDI ARABIA FOR THEIR VISION IN BRINGING ABOUT THE OPEC IN 1960.

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5. RODRIGUEZ SKETCHED THE TRIUMPHS OF OPEC IN RECENT YEARS IN BREAKING THE CONTROL OF "CAPITALIST CARTELS" OVER OIL WEALTH. HE CLAIMED GREAT SYMPATHY FOR THIS SUCCESS FROM AMONG OTHER LDCs, WHO DECLINE TO BLAME OPEC COUNTRIES FOR DEMANDING A FAIR PRICE FOR OIL, AND HE PROCLAIMED THE END OF AN ERA WHEN GREAT POWERS COULD BASE INDUSTRIAL DEVELOPMENT ON CHEAP RAW MATERIALS. CONCLUDING, HE OBSERVED THAT INVESTORS HAVE BEGUN

TO APPRECIATE THAT THEIR FUNCTION IS NOT CONTROL BUT COLLABORATION WITH DIGNIFIED, RESPECTABLE, NATIONALIST PEOPLES.

6. ECUADOREAN MIN NATURAL RESOURCES GUSTAVO JARRIN WAS NOMINATED AND WAS ROUTINELY DECLARED THE UNANIMOUSLY-ELECTED PRESIDENT OF THE CONFERENCE. HIS PREPARED REMARKS WERE ALONG THE LINES OF THOSE OF RODRIGUEZ, THOUGH SHARPER IN PORTRAYING OPEC AS A PIONEER IN THE STRUGGLE FOR A RADICAL TRANSFORMATION IN PREVAILING WORLD RELATIONSHIPS. JARRIN WARNED THAT PRIVATE CONCERNS AND GOVERNMENTS OF THE GREAT POWERS HAVE UNITED TO DESTROY OPEC. HE URGED INDESTRUCTIBLE OPEC UNITY. SAYING IMPERIALISM IS BEING DEFEATED EVERYWHERE, HE DECLARED IT OPEC'S DUTY TO IMPOSE PETROLEUM PRICES " IN ACCORDANCE WITH THE CIRCUMSTANCES AND THE TIMES WE ARE LIVING IN."

7. QUITO MAYOR SIXTO DURAN MADE MODERATE WELCOMING REMARKS AND SESSION ENDED. CLOSED WORKING MEETINGS BEGIN AFTERNOON JUNE 15. AGENDA BY SEPTEMBER.
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